Single regulator for NBFCs

2167. SHRI AIMADUDDIN AHMED KHAN (DURRU): Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have been considering the feasibility of having a single regulator for all financial operations like Non-Banking Financial Companies (NBFCs), private companies and chit funds;

(b) if so, the reasons therefor and context in which the matter has been taken up for consideration; and

(c) what decision, if any, has been taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) to (c) Government have recently constituted a Committee under the Chairmanship of Secretary (Financial Sector) [now redesignated as Secretary (Banking and Insurance)] to look into the issue of multiple regulators of different entities doing financial business. Report of the Committee is awaited.

Pilot Asset Reconstruction Company for NPAs

2168. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that a scheme for setting up a pilot Asset Reconstruction Company (ARC) as one of the measures to curb NPAs has been finalised;

(b) whether, there has been delay in implementing this scheme as ICICI Bank has not yet submitted its business plan; and

(c) if so, what action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) to (c) the Government had been trying to catalise formation of a Pilot Asset Reconstruction Company to tackle the problem of NPAs of Banks and financial institutions. In this connection discussions were held with various private sector, public sector and multilateral institutions. ICICI had volunteered to promote one such company. The company was incorporated

on 11th February, 2002. ICICI are in the process of making this company functional very soon. Meanwhile Government has promulgated an Ordinance, "The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Ordinance, 2002" on 21st June 2002 which provides legal framework for Asset Reconstruction Companies (ARC). Replacement Bill has also been introduced in Lok Sabha. This provides legal framework for ARCs to function.

Income Tax Holiday for Industrial units in M.P.

2169. SHRI ANIL SHARMA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have received any representation from Government of Madhya Pradesh for extension of Income Tax Holiday of the industrial units in the State beyond 2002 on the analogy of North-Eastern States; and

(b) if so, the details thereof and what action Government have taken/ propose to take in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) No, Sir.

(b) The Finance Act, 2002 has extended the benefit of Income Tax Holiday under Section 80-IB to industrial units to be set up in notified backward districts of the country from 31.03.2002 to 31.3.2004. These benefits are available to industrial units in the backward district of Madhya Pradesh.

Services of Public Sector Banks

†2170. PROF. M. M. AGARWAL: will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Public Sector Banks in the country are losing the confidence of common man despite having a large network and huge staff strength and there is a rapid increase in attration towards Private Sector Banks;

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†Original notice of the question was received in Hindi.